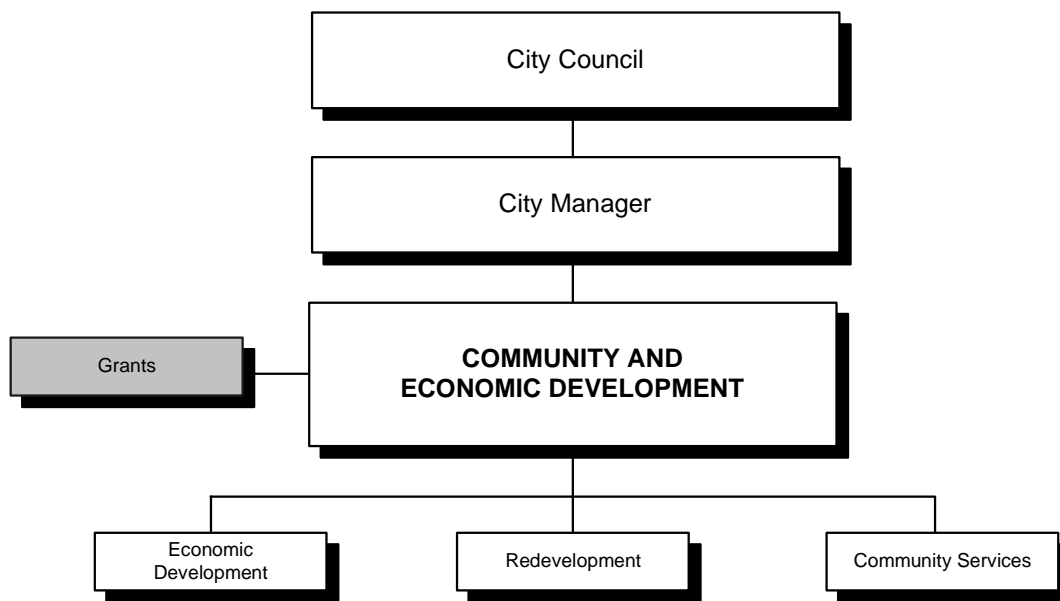


# Community & Economic Development



With an emphasis on the City's urban core neighborhoods and low and moderate income residents, the Community and Economic Development Department strives to improve the quality of life, and ensure a healthy economy for all San Diegans through job development, business development, neighborhood revitalization, public improvements, redevelopment, social services, and revenue enhancement.

# Community and Economic Development



# Community and Economic Development

## Department Description

The Community and Economic Development (C&ED) Department works to improve the quality of life and ensure a healthy economy for all San Diegans. The department works extensively with the community and partner organizations to provide vital community services, revitalize San Diego neighborhoods and create a business friendly environment.

## Milestones Met/Services Provided

Cortez Hill Family Shelter is slated to open in Fiscal Year 2003.

The Office and Townhome Phase, the sixth phase of the City Heights Urban Village, is currently in construction and is scheduled to open in fall 2002.

The Storefront Improvement Program was expanded Citywide, which provides matching grants and architectural design assistance to small business owners within San Diego.

Enterprise Zone Improvements included a five year extension of the Metropolitan Zone, expansion of the Otay Mesa/San Ysidro Zone to Chula Vista and the renaming of the area to the South Bay Enterprise Zone, receipt of a special enterprise zone designation for Naval Training Center, and the setting of a new record for job placements.

The City's quarterly business assistance newsletter, *Business Matters*, premiered in 2001. The newsletter serves as an information clearinghouse on City and partner agency programs available to San Diego's entire business community. The newsletter is mailed to all registered businesses in the City of San Diego.

The Economic Development Division is working with local business groups and agency partners to assist small businesses impacted by recent border delays and security issues.

A new Small Business Advocacy Program was created to assist the City's small businesses with issues involving permitting, regulatory challenges, and other obstacles to doing business in San Diego.

## Future Outlook

C&ED will be engaged in numerous ongoing obligations such as the administration of over 130 contracts with community based organizations, social service agencies, and businesses, totaling over a hundred million dollars department-wide.

C&ED will remain involved in researching and seeking new grant, program, and other funding opportunities, as well as operating a variety of other programs and projects. With an anticipated gradual downturn in the regional economy, C&ED will refocus and intensify its business outreach and assistance activities to retain key economic drivers and major employers.

With the City Council's anticipated adoption of the General Plan Strategic Framework, C&ED will take the lead in instituting identified "village" projects using its redevelopment, business finance, incentive zone, and other implementation tools. Redevelopment is tasked with the administration of nine redevelopment project areas and is in the process of studying two new project area designations.

In Fiscal Year 2003, the Las Americas Redevelopment Project will break ground on its second phase, and will include more retail establishments, a public library, and cultural center.

# Community and Economic Development

## Future Outlook (continued)

The first phase of the NTC Redevelopment Project will begin in Fiscal Year 2003, and will include residential, office and research development, as well as major infrastructure improvements. The second phase of the NTC project is scheduled to commence six months after the first phase begins.

With a regional inflation rate well above the national average driven primarily by housing costs, C&ED will work in a comprehensive and coordinated manner with the Housing Commission, the Centre City Development Corporation, and Southeastern Economic Development Corporation to expand the development of affordable housing.

# Community and Economic Development

## Significant Budget Adjustments

Community and Economic Development	Positions	Cost
<b>Personnel Expense Adjustments</b>	0.00 \$	88,757
Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, average salaries, fringe benefits and other personnel expense adjustments.		
<b>Support for Kiddie Hall</b>	0.00 \$	280,000
Addition of \$280,000 for Kiddie Hall to meet health and safety requirements for State Community Care Licensing Title XXII standards. Kiddie Hall is a downtown child care facility for City staff.		
<b>Personnel Reclassification (Reimbursable)</b>	0.00 \$	81,006
Conversion of 2.00 positions and reclassification of 1.00 position in the Business Expansion and Retention Program. Additional position costs will be offset by revenue budgeted in the Business Finance Program.		
<b>Non-Discretionary</b>	0.00 \$	(16,885)
Adjustments to reflect expenses that are determined outside of the department's direct control. Examples of these adjustments include utilities, insurance, and rent.		

# Community and Economic Development

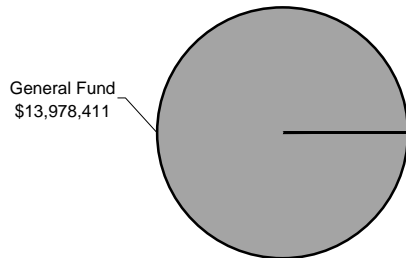
Community and Economic Development			
	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
Positions	51.64	55.92	55.92
Personnel Expense	\$ 4,815,469	\$ 4,508,342	\$ 4,669,627
Non-Personnel Expense	9,615,592	9,037,191	9,308,784
<b>TOTAL</b>	<b>\$ 14,431,061</b>	<b>\$ 13,545,533</b>	<b>\$ 13,978,411</b>

Department Staffing	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
<b>GENERAL FUND</b>			
Community and Economic Development	51.64	55.92	55.92
<b>Total</b>	<b>51.64</b>	<b>55.92</b>	<b>55.92</b>

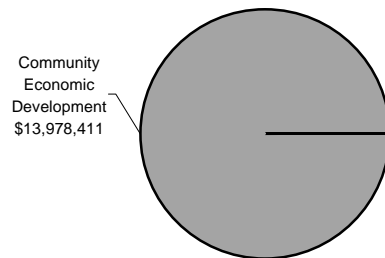
Department Expenditures	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
<b>GENERAL FUND</b>			
Community and Economic Development	\$ 14,431,061	\$ 13,545,533	\$ 13,978,411
<b>Total</b>	<b>\$ 14,431,061</b>	<b>\$ 13,545,533</b>	<b>\$ 13,978,411</b>

# Community and Economic Development

**Source of Funding**



**Allocation of Funding**



## Budget Dollars at Work

202 "6 to 6" Program sites in FY 2002  
5,600 Acres of City-managed Redevelopment project areas  
8,000 Total acreage of all agency project areas (including CCDC and SEDC)  
\$5.56 Million tax increment generated by City Redevelopment areas  
15 Streetscape improvement projects in design  
5,451 Jobs created and retained  
550 Homeless shelter beds for men, women, and children  
100 Social Service non-profit organization contracts administered

# Community and Economic Development

## Key Performance Measures

	FY 2001 Actual	FY 2002 Budget	FY 2003 Proposed
Average cost per Redevelopment study/report/plan prepared	N/A	\$20,434	<b>\$15,556</b>
Average cost per Redevelopment budget/activity/report produced	\$5,730	\$7,060	<b>\$6,011</b>
Average cost per project implementation activity managed	\$14,295	\$14,564	<b>\$10,321</b>
Average cost per Redevelopment project managed	\$94,163	\$131,334	<b>\$110,104</b>
Average cost per "6 to 6" after school program site	\$75,026	\$83,892	<b>\$83,892</b>
Average cost per "6 to 6" before school program site <sup>(1) (2)</sup>	N/A	\$10,864	<b>\$43,458</b>
Average cost per Community Services project/contract administered	\$2,869	\$3,004	<b>\$3,065</b>
New General Fund revenue generated per dollar invested <sup>(3)</sup>	\$19	\$16	<b>\$13</b>
New private sector capital attracted into the City per dollar invested <sup>(4)</sup>	\$1,456	\$852	<b>\$747</b>
Average cost per Neighborhood Revitalization public improvement project managed	\$8,814	\$8,296	<b>\$8,109</b>
Average cost per small individual business assisted	\$30	\$44	<b>\$60</b>
Average cost per job placement assistance request	\$111	\$157	<b>\$153</b>

<sup>(1)</sup>Includes State After School Learning and Safe Neighborhoods Partnerships Program grant funding and 21st Century Community Learning Centers' Program funds.

<sup>(2)</sup>Includes State Before School Learning and Safe Neighborhoods Partnerships Program grant funding. Funding in Fiscal Year 2002 funds 98 schools for three months. In Fiscal Year 2003, the entire school year is funded.

<sup>(3)</sup>This efficiency figure represents that for every dollar the City invests in the Business Expansion and Retention Program \$16 is the return on investment in Fiscal Year 2001 and Fiscal Year 2002, and \$13 is the proposed return on investment in Fiscal Year 2003.

<sup>(4)</sup>This efficiency figure represents that for every dollar the City invests in the Business Expansion and Retention Program \$1,456 is the return on investment in Fiscal Year 2001, \$852 is the budget return on investment in Fiscal Year 2002, and \$747 is the proposed return on investment in Fiscal Year 2003.



# Community and Economic Development

## Division/Major Program Descriptions

### Redevelopment

The Redevelopment Division alleviates conditions of blight in older, urban areas of the City and focuses on nine project areas and one study area that cover more than 6,300 acres. It also serves as staff to the Redevelopment Agency, which is a separate legal entity. The Mayor chairs the Agency, the City Manager is the Executive Director, the City Attorney serves as General Counsel, and the Redevelopment Division serves as staff to the Agency. Other specific responsibilities include maintaining the Agency's meeting docket, official records and website; general administration for the Agency; and coordination of the Agency budget and reporting requirements. Major City Redevelopment project areas include:

City Heights, the largest City project area, the centerpiece of which is the City Heights Urban Village. As a public/private partnership effort it encompasses nine City blocks, including a new retail center. Major projects underway include an office and townhomes project, and the Regional Transportation Center.

San Ysidro, where the first phase of the \$200 million Las Americas project opened last year, includes a 630,000-square-foot, open-air shopping center. Subject to government approval, the ten acre, second phase includes 540,000 square feet of development, a landmark pedestrian bridge over the Tijuana River, a transportation terminal, duty-free shopping, an office tower and a hotel and conference center.

Naval Training Center, in partnership with master developer, McMillin Co. will implement NTC's Reuse Plan. The redevelopment is expected to occur over the next ten years, and includes a 361 acre neighborhood with residential, commercial, and recreational uses in a pedestrian oriented environment.

North Bay major projects include assistance to the construction of the Point Loma Branch Library, transit-oriented development at a trolley station, a study of the bay-to-bay concept, and work on the North Bay & Beach Area Transit Study to help improve traffic circulation.

# Community and Economic Development

## Division/Major Program Descriptions (continued)

### Economic Development

The Economic Development Division implements policies and programs to create economic development opportunities that improve the quality of life for citizens of San Diego.

Business Expansion and Retention proactively provides assistance to key businesses in targeted industries/areas to retain and expand jobs and investment in San Diego. Specific activities include fee reductions and referrals, sales/use tax credits or rebates, and property tax rebates.

Neighborhood Revitalization collaborates with neighborhoods to do streetscape projects that improve and enhance the street landscapes and public spaces. These projects benefit the businesses and citizens in the neighborhoods and the City as a whole through improved quality of life and economic benefits. A number of Revitalization projects have received AIA Orchid Awards.

Office of Small Business is the only one of its kind in California, dedicated solely to helping small businesses succeed. Small businesses are the driving force of San Diego's economy, representing more than 60,000 businesses (approximately 92 percent of all businesses in the City) and about half of San Diego's job growth since 1991. The City sets aside millions of dollars each year for programs to help small businesses prosper.

Special Incentive Zones are defined geographic areas in which businesses can claim certain state income tax savings and other advantages. Enterprise Zones were created in California to stimulate business investments in economically disadvantaged areas as well as spur growth in high unemployment areas. The City administers two State Enterprise Zones (the Metro Zone and the South Bay Zone) and two Federal programs (a Foreign Trade Zone and a Renewal Community designation). Economic Development also administers: Business Finance, the Business Cooperation Program, the College/Eastern Area Planning and Economic Review, the Guaranteed Water for Industry Program, Ombuds Services, and Parking Meter Revenue Districts.

# Community and Economic Development

## Division/Major Program Descriptions (continued)

### Community Services

The Community Services Division provides high quality services to enhance the lives of San Diego's diverse population including: Child Care Services, Operation Weed and Seed, Social Services, Youth Services and the following programs:

“6 to 6” Extended School Day Program, in cooperation with the San Diego Unified School District, opens elementary and middle schools before and after normal school hours to provide a safe place for students to participate in academic enrichment and recreational activities. Funded by the City and several state and federal grants, the Program serves 202 schools.

Community Development Block Grants/Youth Services provides the City of San Diego approximately \$18.25 million annually in funding from the U.S. Department of Housing and Urban Development. The funds are awarded to private or public organizations to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services that benefit low-to-moderate income persons.

Disability Services plans, organizes, and coordinates initiatives and strategies to assist persons with disabilities. The program works with City departments and other agencies to formulate and administer policies affecting the disabled community, assesses the City's compliance with federal and state laws and regulations, and reviews and updates the City's transition plan for architectural access.

Homeless Services plans, organizes, and coordinates activities to assist the homeless community including Winter Shelter Program, Year-Round Family Shelter, and Homeless Seniors. The program works with City departments and other agencies to formulate and administer policies affecting the homeless community, advises the Mayor, City Council and City Manager on related policies, implements new legislation and programs, and is a liaison between the City, homeless community, and organizations serving the homeless.

# Community and Economic Development

## Division/Major Program Descriptions (continued)

### Grant Funds

#### CDBG Administration/Social Services Administration

The Federal Government provides entitlement grant funds annually to the City for the development of viable urban communities. These viable communities are achieved by providing decent housing; suitable living environments; and expanded economic opportunities, principally for persons of low and moderate income. The Community Development Block Grant (CDBG) administration staff ensures proper accounting, compliance with grant conditions, and reporting to the federal Department of Housing and Urban Development. This unit is also responsible for administration and monitoring of approximately 100 social service contracts with non-profit organizations. These contracts are funded from both the federal government and the City's General Fund.

#### CDBG Youth Services

The Youth Services unit of Community Services is responsible for all youth services provided by City departments, and acts as a liaison body between the City and community organizations that provide services to youth. CDBG Youth Services is also responsible for the City's participation in the summer Youth Force Program.

#### CDBG Disability Services

Per City Council direction, 20 percent of the annual Citywide category of the City's CDBG entitlement grant is allocated for removal of architectural barriers and for compliance with the Americans with Disabilities Act. These funds are used for audible signals, pedestrian ramps and facility retrofit. This unit coordinates with the Engineering and Capital Projects Department, General Services Department's Facilities Maintenance Division, and private contractors.

# Community and Economic Development

## Salary Schedule

### GENERAL FUND

#### Community and Economic Development

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary and Fringe</i>	<i>Total</i>
1106	Senior Management Analyst	1.00	1.00	82,619	82,619
1107	Administrative Aide II	1.00	1.00	57,969	57,969
1218	Associate Management Analyst	1.00	1.00	73,969	73,969
1237	Payroll Specialist I	1.00	1.00	46,639	46,639
1350	Community Development Coord	4.00	6.00	102,582	615,492
1352	Community Development Spec II	11.00	11.00	70,172	771,892
1354	Community Development Spec IV	18.00	15.00	87,893	1,318,401
1382	Legislative Recorder I	1.00	1.00	57,505	57,505
1401	Information Systems Technician	1.00	1.00	57,164	57,164
1532	Intermediate Stenographer	1.00	1.00	46,148	46,148
1535	Clerical Assistant II	3.00	3.00	41,624	124,872
1746	Word Processing Operator	1.00	1.00	42,955	42,955
1876	Executive Secretary	1.21	1.21	60,380	73,060
1879	Senior Clerk/Typist	1.00	1.00	50,725	50,725
1926	Information Systems Analyst IV	1.00	1.00	90,082	90,082
2111	Assistant City Manager	0.03	0.03	210,000	6,300
2132	Department Director	1.00	1.00	162,409	162,409
2153	Deputy City Manager	0.18	0.18	191,233	34,422
2203	Community Dev Admin	1.00	1.00	104,550	104,550
2214	Deputy Director	2.50	2.50	127,364	318,409
2257	Grants Coordinator	1.00	1.00	98,347	98,347
2260	Child Care Coordinator	1.00	1.00	92,772	92,772
2270	Program Manager	1.00	2.00	113,754	227,507
2272	Homeless Services Coordinator	1.00	1.00	89,492	89,492
	Reg Pay For Engineers	0.00	0.00		8,064
	Temporary Help	0.00	0.00		4,561
	Overtime Budgeted	0.00	0.00		13,302
	<b>Total</b>	<b>55.92</b>	<b>55.92</b>	<b>\$</b>	<b>4,669,627</b>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT TOTAL</b>		<b>55.92</b>	<b>55.92</b>	<b>\$</b>	<b>4,669,627</b>

# Community and Economic Development

## Five-Year Expenditure Forecast

	FY 2003 PROPOSED	FY 2004 FORECAST	FY 2005 FORECAST	FY 2006 FORECAST	FY 2007 FORECAST
Positions	55.92	62.92	64.92	65.92	66.92
Personnel Expense	\$ 4,669,627	\$ 5,344,643	\$ 5,700,878	\$ 5,948,583	\$ 6,206,020
Non-Personnel Expense	9,308,784	9,377,573	9,680,118	9,981,448	10,292,147
TOTAL EXPENDITURES	\$ 13,978,411	\$ 14,722,216	\$ 15,380,996	\$ 15,930,031	\$ 16,498,167

### Fiscal Year 2004

#### Economic Development/Business Expansion and Retention

Addition of 1.00 position and support to coordinate and manage the Business Expansion and Retention Program.

#### Economic Development/Special Incentive Zone Program & Business Finance Program

Addition of 3.00 positions and support to promote business development in the City's Special Incentive Zones and the Business Finance Program and the position of the Economic Development Revolving Loan Grant Administrator.

#### Community Services/Community Services

Addition of 1.00 position and support to manage the Disability Services Program for the City of San Diego.

Addition of 1.00 position and support as a reasonable accommodation for employee with a disability and to serve as clerical support for the Disability Services Program.

Addition of 1.00 position and support to coordinate with the plan check and inspection process to enforce ADA and Title 24 requirements for the City.

Reduction of onetime add in previous fiscal year for Kiddie Hall project.

### Fiscal Year 2005

#### Economic Development/Community Revitalization

Addition of 1.00 Community Development Specialist II and support within Economic Development to assist with added Community Revitalization activities within the Economic Development Division.

#### Community Services/Community Services

Addition of 1.00 position and accompanying support to maintain the operation of the Weed and Seed effort.

### Fiscal Year 2006

#### Economic Development/Business Expansion and Retention

Addition of 1.00 Community Development Specialist II and support to handle increased small business growth in the Economic Development Agency.

### Fiscal Year 2007

#### Economic Development/Special Incentive Zone Program

Addition of 1.00 Community Development Specialist II and support to handle the increased workload resulting from the City's receiving new special incentive zone designations i.e., Renewal Community.

